

## **Pepco: Customers expect too much too soon after storms**

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BALTIMORE -- A Pepco vice president told Maryland regulators on Tuesday that the company was "not terribly disappointed" with its response to recent storms that left nearly a half-million people in the dark, while another vice president disclosed that the utility ranked among the worst power providers in surveys of day-to-day reliability.

The disclosures came as anger mounted against the Washington region's largest power company, popping up in suburban cul-de-sacs, shopping centers and the Maryland governor's mansion. The criticism stemmed from what some complained was only the latest in a series of outages that followed storms and sometimes even a sunny day.

"Yes, there have been very severe thunderstorms, but in less-severe storms we're also seeing more outages in the Pepco area than we did before," Gov. Martin O'Malley (D) told reporters at a news conference outside the State House. "To pretend that this is all due to weather is not, I think, a responsible way to act."

Senior Pepco executives defended their performance during day-long questioning at a packed hearing held by the Maryland Public Service Commission, fending off questions from polite but at times disapproving commissioners.

"It's not going to be business as usual going forward," Commissioner Lawrence Brenner cautioned the executives. "We're going to come up with things to measure you by. And we're going to have to have consequences."

The executives repeatedly asserted that they responded well to a challenging and unpredictable situation but that they nonetheless plan to make improvements. They stressed that increasing reliability would increase costs but stopped short of saying they would seek a rate increase.

"We know it's been a very frustrating summer for our customers," said David Velazquez, Pepco's executive vice president for power delivery. "It's been a very frustrating summer for us as well."

"We responded properly."

Pepco officials suggested that customers' frustration stemmed from rising expectations. "The desire to have service restored quicker has increased," Velazquez said.

If the company fell short, he said, it was in not communicating adequately with its customers -- to let them know how long it would take to restore power and to educate them about the daunting challenges facing its crews. Pepco officials said the company had learned lessons from the storms and would trim trees, consider moving some

stretches of power lines underground and reroute some circuits around trouble spots. It might take four years to make "overall" improvements in the system, they said.

Commission Chairman Doug Nazarian said his office has been deluged with complaints, some comparing Pepco's service to that in third-world countries, others alleging that their electricity failed whenever the wind kicked up. There is a widely held perception that Pepco is unprepared for storms and mobilizes slowly when they arrive, he said.

Commissioner Susanne Brogan asked Mike Sullivan, senior vice president of operations at Pepco, whether he had misspoken when he suggested that he was not disappointed by Pepco's response. Sullivan replied: "I think we did a reasonable job of restoring power. I'm not embarrassed by what we did."

### **Tree owners blamed**

Pepco officials said that 90 percent of the recent outages were caused by falling branches, most from trees on private property whose owners often deny access to trimming crews. The first and biggest of three recent storms, on July 25, broke with little warning, but the executives said they quickly activated response crews and called in reinforcements from other companies. Pepco sent out so many crews that additional workers might not have hastened the return of power, they said.

"Is it physically possible to restore service to 300,000 customers in 24 hours? I'm not sure it is," Velazquez said.

Pepco officials said their company placed in the bottom 25 percent among companies ranked on two yardsticks designed to measure reliability. On a third, Pepco recently rose from the third quartile to the second. The data used in the ratings are based on day-to-day service, not on responses to major storms.

Nancy Floreen, president of the Montgomery County Council, shook her head repeatedly as she sat through the hearing.

"It's a classic bureaucratic runaround," Floreen (D-At Large) said during a break. "There are very few straight answers given. It validates everything our residents have told us over the last few years. We've got businesses not able to function on a regular basis."

Del. Tom Hucker (D-Montgomery) also was disappointed by what he heard. "Pepco admitted that they would give themselves a D or an F in terms of service and that they see that score as acceptable," he said.

The five-member commission, which regulates utilities and sets rates in the state, announced Thursday that it was starting an investigation into how Pepco responded during storms in the past two months.

### **Politicians tap into anger**

With long outages that have spoiled food and frayed residents' nerves, Pepco has eclipsed the environment, education and even economic hardship as Topic No. 1 for many Washington area voters heading into next month's primary, according to more than a dozen voters, candidates and political observers.

"I expect to hear from PTA leaders about education and from transit advocates about the environment, but these days everybody is talking about Pepco," Hucker said.

From City Council contests in Gaithersburg to the race for the governor's mansion, politicians are working to tap into that anger in swaths of Washington's Maryland suburbs hit hardest by the outages.

"They are the most unpopular company by far in this county. It's not just the big outages. It's the small ones, too," said Adam Pagnucco, a popular political blogger in Montgomery. "And now the politicians are starting to run with it."

Delegates and senators who are considered relative safe bets for reelection are taking no chances. They have promised hearings, and one even wrapped campaign fliers with copies of the PSC hearing announcement and stuffed them in constituents' mailboxes.

On Tuesday, O'Malley called in to morning radio programs and held a news conference to draw attention to the PSC investigation. In news releases, his office has repeatedly noted that the commission, which he appoints, began its investigation only after he requested one.

O'Malley said that although weather and trees were factors in the recent outages, he believes that Pepco could be doing more to limit problems. "I do believe another factor has to do with the investment in the infrastructure. . . . We don't see these same sort of outages happening in other parts of our tiny state."

Pepco's performance did not go over well with Marilyn Millstone, a 56-year-old writer who lives on leafy Wexford Drive in Kensington. "That's a joke," she said when told of Pepco's claims. "The record speaks for itself when it takes four days, seven days, nine days to restore power.

"What I, and everyone on Wexford Drive, want is for us to be treated fairly. Our Pepco bill arrives promptly every month, and we promptly pay it. In turn, doesn't Pepco have a moral obligation to respond to us promptly when the power goes out?"

Anna Leder, 85, a retired therapist who lives nearby, said, "I would like them to have sufficient equipment and manpower so I can get power sooner."

Richard McMichael, who grew up on the street, said power has gone out there at least a half-dozen times this year. But he said he's giving Pepco a little slack, believing that repairing a major power system after a major storm must be a considerable undertaking.

"I would imagine they aren't sitting back and putting their feet up," he said.